



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

March 26, 1991

Mr. Scott Isaacson
Attorney at Law
Suite 205, Sentinel Building
Salt Lake City, Utah 84115

Dear Mr. Isaacson

Re: Response to Draft Summary Agreement, Reclamation Plan and Surety, Aragonite Mill and Mine Sites, Docket No. 90-051, Cause No. M/045/031, Tooele County, Utah

This letter is prepared in response to your March 13, 1991 letter which summarized your understanding of the conceptual agreement reached during our March 11, 1991 meeting. We have reviewed your draft proposal and have modified it somewhat to reflect the Division's position in finalizing an operational and reclamation agreement. The proposed changes to your draft have been "highlighted" for easy reference.

Millsite

1. Thomas American Stone ("American Stone") will immediately cease all "mining activities" on the mill area outside of a five (5) acre tract surrounding the mill and buildings. All new ore will be stored within this five (5) acre area and any new mill waste generated will be placed within this area, unless such mill waste is used for reclamation efforts elsewhere in accordance with the reclamation plan.
2. The only exception to paragraph #1 will be that American Stone will remove the ore piles from the area outside the five (5) acre tract as quickly as they can be processed through the mill or otherwise either removed from the site or moved into the five (5) acre tract. The ore piles which are outside of the five (5) acre tract will be removed completely no later than two (2) years from the date of the Board approval of this Agreement.

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3. American Stone will immediately commence reclamation on all land outside of the five (5) acre tract (other than the two ore piles described in paragraph #2). The details of this reclamation plan will be worked out with the Division and the Bureau of Land Management (BLM), but generally, reclamation will entail (a) clean up of all garbage, equipment or other waste (b) leveling of disturbed areas and (c) re-seeding. This reclamation (other than the two ore piles) will be completed by October 31, 1991. American Stone will also reclaim the areas covered by the two ore piles as and when they are removed. A **complete** (emphasis added) reclamation plan for the area outside of the five acres will be developed by American Stone and submitted for review by the Division and BLM no later than April 20, 1991.

4. In connection with the reclamation work, American Stone agrees that it will not bury any solid garbage or waste (excluding the fines from the milling process which henceforth will be stockpiled separately within the designated five (5) acre area) on the mill site. All exposed garbage and trash will be removed from the site and properly disposed of at an approved state or county landfill within thirty (30) days of reclamation plan approval. American Stone will not move or transport any garbage or trash from the millsite to the mine site. This general clean-up also applies to the area within the five (5) acre tract. American Stone also agrees that it will dig up the waste which was buried in February 1991, and dispose of it in a fashion approved by the BLM and the Division. American Stone will not otherwise have to dig up the existing waste dump, but will "rip" the surface to a depth of three (3) feet when it is reclaimed and dispose of any solid trash exposed by this "ripping". Again, details of this clean-up will be set forth in a detailed reclamation plan as described in paragraph 3 above. At a minimum, the plan for clean-up of the garbage/trash must include:

- (a) at least 2-days notice to the BLM, prior to commencement of clean-up and transport of the trash/garbage from the millsite area to an approved waste disposal facility, and
- (b) a commitment to prepare an itemized list/manifest of the waste materials being transported to the approved disposal facility. The list/manifest must be signed by the responsible party receiving the waste material at the disposal facility. A copy of this signed list must then be provided to the BLM and Division.

American Stone agrees to immediately cease disposal of the rejected mill fines on the waste dump. All reject mill fines will be stockpiled separately within the approved

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five (5) acre millsite area for use in reclamation of the area (or as otherwise instructed by the Division and BLM).

5. American Stone understands and agrees that the area within the five (5) acre tract will be reclaimed at the end of its operations, in accordance with the reclamation standards set by the Division for small mining operations and the BLM 43 CFR 3809 regulations.

Mine Site

6. American Stone will immediately cease all mining operations at the mine site outside of the designated five (5) acre tract as approved by the Division and the BLM (as applicable).

7. American Stone will immediately install warning signs adjacent to the highwalls and at such other locations as the Division may direct. American Stone will also install such other safety devices as the Division may direct, including covers for exposed shafts, berms for highwalls and a cable or MSHA approved haul road berm along the county road next to the pit. All signs and safety devices shall be installed no later than April 15, 1991. Photo documentation will be provided to the Division by April 20, 1991.

8. American Stone will immediately begin reclamation operations on the 3.4 acre area outside of the five acre mining tract. A detailed reclamation plan will be developed and approved by the Division before reclamation commences. It is not the intention of this agreement that American Stone will reclaim the entire areas affected by historical mining in the vicinity, but will reclaim the areas it has disturbed, redisturbed or otherwise impacted that were mined in violation of the restrictions governing the originally filed Declaration of Exemption (DOE). The entire area to be reclaimed will be specifically identified in the spring when on-site conditions improve. A **complete** (emphasis added) reclamation plan will be prepared by American Stone and submitted for review by the Division and BLM, no later than June 30, 1991.

9. American Stone will operate the mine as a small mine operation under five (5) acres in size and will reclaim the area in accordance with the Division's small mining operation reclamation standards, and/or the BLM 43 CFR 3809 regulations (as applicable), when mining operations are completed.

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Surety for Mine and Milling Area Reclamation

10. American Stone will post at the time of the March Board hearing a cash bond in the amount of \$6,000 to secure its reclamation work on the areas outside of the two five (5) acre tracts identified above. American Stone will also agree to post an additional \$6,000, six months from the date of the approval of a formal agreement by the Board. This \$12,000 corresponds to a rate of \$1,000 per acre, for the approximately twelve (12) acres of disturbance which have been identified by the Division outside of the two five (5) acre tracts (three acres at the mine and nine acres at the mill site). As these disturbed acreages are subsequently reclaimed, American Stone may request surety release from the Division and BLM (as appropriate). Release of the surety will be based upon satisfactory reclamation work performed by American Stone.

Procedural Matters

11. American Stone will appear at the March 28th Board meeting and post its \$6,000 bond at that time. It will request a continuance until the April meeting at which time a complete and formal agreement will be presented to the Board for approval.

12. American Stone will work with the Division to prepare and submit for proper notice and review such an agreement by April 1, 1991.

Should American Stone fail to meet contractual deadlines, then the Division or Board will issue an Order which could require immediate suspension of all mining and milling operations and require immediate reclamation of the mining-related disturbances.

On January 17, 1991, the Division received two (2) Small Mining Operation (SMO) Applications from Thomas American Stone and Building Inc.; one for the Aragonite mine and one for the millsite. These applications were not processed by the Division because the disturbed acreage exceeded five (5) acres at both sites. A variance was requested from items 2, 4 & 11 of the operation and reclamation standards in the SMO application for the Aragonite mine. The Division will postpone taking formal

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action on the SMO applications, and the request for variance, until the final details are worked out regarding the Permitting Agreement and the reclamation plans for the two sites.

Sincerely,

A handwritten signature in cursive script, reading "Dianne R. Nielson". The signature is written in dark ink and is positioned above the printed name and title.

Dianne R. Nielson
Director

DWH/jb

cc: Steve Brooks, BLM, Pony Express RA
Lon Thomas, Thomas American Stone
Lowell Braxton, DOGM
Tom Mitchell, AAG
Minerals staff

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